

5 July 2018

Australian Energy Market Commission  
PO Box A2449  
Sydney South NSW 1235

Dear Sir/Madam,

**National Electricity Amendment (Global settlement and market reconciliation) Rule 2018 (ERC0240)**

PLUS ES welcomes the opportunity to provide feedback to the Australian Energy Market Commission's (AEMC) consultation paper on the National Electricity Amendment (Global settlement and market reconciliation) Rule 2018 (ERC0240).

PLUS ES is a leading service provider of MDP services to networks covering the meter types involved in this rule change – Type 6 and 7 - across networks in NSW.

PLUS ES's submission provides feedback as per the feedback template attached and is committed to being involved in any changes in this regard.

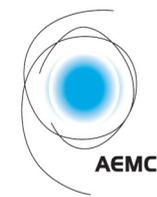
PLUS ES would like to thank the AEMC for its invitation to join in consultation in all stages of the rule change process.

PLUS ES would welcome any further discussion in relation to this submission. If you have any questions or wish for further discussion, please contact Linda Brackenbury on 02 4035 6933 or at [Linda.Brackenbury@pluses.com.au](mailto:Linda.Brackenbury@pluses.com.au).

Sincerely,



**Jason Clark**  
EGM - PLUS ES



## Stakeholder feedback template

The template below has been developed to enable stakeholders to provide their feedback on the questions posed in this paper and any other issues that they would like to provide feedback on. The AEMC encourages stakeholders to use this template to assist it to consider the views expressed by stakeholders on each issue. Stakeholders should not feel obliged to answer each question, but rather address those issues of particular interest or concern. Further context for the questions can be found in the consultation paper.

Organisation: PLUS ES

Contact name: Linda Brackenbury

Contact details (email / phone): [Linda.Brackenbury@pluses.com.au](mailto:Linda.Brackenbury@pluses.com.au) / 02 4035 6933

Questions		Feedback
<b>Chapter 5 – Section 5.1.1 – Allocating volumes of unaccounted for energy</b>		
1.	To what extent is the full allocation of UFE to local retailers an issue?	No comment
2.	What are the UFE costs and volumes for local retailers?	No comment
3.	What are your views on AEMO's high level design for global settlement, generally and in relation to allocation of UFE?	No comment
4.	What other UFE allocation methods could be suitable and why?	Any solution put in place should leverage from the existing approved load tables. PLUS ES would prefer that the method used for these sites be as close as possible to the existing Type 7 methodology and processes.
<b>Chapter 5 – Section 5.1.2 – Effect on pricing of unaccounted for energy costs</b>		
5.	How will local and independent retailers respond to change in the financial responsibility for UFE? In what way and to what extent?	No comment

Questions		Feedback
6.	Do you consider that a move to global settlement would affect retailer competition, and if so, how? How could these effects be addressed?	No comment
<b>Chapter 5 – Section 5.1.3 – Secondary price effects</b>		
7.	What are your views on the levels of any secondary price effects from global settlement?	No comment
8.	How would UFE be treated under the LRET, the SRES and jurisdictional environmental schemes?	No comment
9.	Under the proposed global settlement design, what information would be needed on settlement statements to support liability calculations for the LRET, the SRES and jurisdictional environmental schemes?	No comment
<b>Chapter 5 – Section 5.1.4 – Calculating unaccounted for energy - unmetered loads</b>		
10.	What are your views on the proposed method for calculating total UFE for a local area?	The UFE calculations come with unknown risks, with potentially hundreds of thousands of data streams not delivered to the market today which will need to now be managed by the MDP. The calculation, validation, delivery and storage of these data streams will be a new PLUS ES obligation for Type 5-7 metering under our agreement with any network.
11.	How should unmetered loads be managed?	Refer to Q4.
12.	What other categories of loads need to be considered in the UFE calculation?	No comment
<b>Chapter 5 – Section 5.2 – Treatment of virtual transmission nodes under global settlement</b>		
13.	Are VTNs still an appropriate mechanism for the NEM?	PLUS ES supports 3 VTNs for services to the Ausgrid network which are used for Type 7 NMIs. We use VTNs for Traffic Lights and legacy Energy Light interval data generation. Without VTNs, each connection point would need to be allocated its own NMI. There would need to be some form of aggregation as it is not practical to have (for example) a remotely located bus

Questions		Feedback
		shelter with one light attracting its own NMI. Perhaps Street Lights could be aggregated per LGA or per TNI/LGA?
14.	Which classes of customers would be affected if VTNs were removed?	The customers of the Type 7 data derived by PLUS ES for Networks.
15.	What price effects would occur if VTNs were removed?	No comment
16.	What are the possible options for treatment of VTNs should the proposed rule be made? Describe any other suitable options (or variations of the options presented).	Retaining the virtual TNIs for unmetered loads would be PLUS ES' preferred outcome.
17.	Depending on how VTNs are treated under global settlement, DNSPs may incur a once-off cost associated with mapping existing VTN customer meters to a physical TNI. What costs, effort, benefits or synergies would be associated with this activity?	Impact to PLUS ES is negligible but PLUS ES acknowledges that the DNSPs and FRMPs will incur set up costs.
<b>Chapter 5 – Section 5.3 – Global settlement coverage</b>		
18.	Do you agree with AEMO's proposed coverage of global settlement? Are there other situations, perhaps legacy arrangements or future scenarios, where settlement by differencing should be maintained or used?	No comment
<b>Chapter 5 – Section 5.4.1 – Implementation timing</b>		
19.	What are your views on a start date for global settlement?	PLUS ES has a large program of work in train at the moment with a life cycle of 18 months. Additional changes within that period would have a significant impact. Alignment with the 5MS introduction would assist.
20.	What are your views on a staged commencement of global settlement, for example, by jurisdiction or distribution area? How would a staged commencement best be implemented?	PLUS ES preference would be for a single commencement date rather than staged.
21.	What are your views on aligning the IT system development for global settlement with that of five minute settlement?	PLUS ES would prefer alignment.
22.	What timeframes would be required for AEMO, retailers, DNSPs and MDPs to upgrade	PLUS ES will be required to make changes to our Type 7 application to absorb any changes to the aggregation rules.

Questions		Feedback
	internal processes, procedures and IT systems for global settlement?	Basic consumption delivery changes will also be required. PLUS ES would need 6-12 months to implement.
<b>Chapter 5 – Section 5.4.2 – Implementation costs and savings</b>		
23.	What are the costs, synergies and risks involved in upgrading IT systems to accommodate global settlement?	Note that specific requirements would be needed to obtain an formal estimate. Tasks associated with the change would include: <ul style="list-style-type: none"> <li>- Migration tasks and Management</li> <li>- MDM Data to AEMO for BASIC First Tier Metering (New Interface streams for First Tier Data)</li> <li>- Activation of data streams for approx. 500,000 NMIs (Would be over 1 million data streams I suspect)</li> <li>- Backdate of Consumption information to AEMO. Need to understand if this would occur. (possibly back 6 months)</li> <li>- Exception Management of data</li> <li>- Changes to batch logic for auto activation, inactivation of data streams</li> <li>- Update Reports and Data Quality Reports.</li> </ul>
24.	A move to global settlement would increase data handling because MDPs would need to send additional data to AEMO. What would the incremental cost of this activity be?	PLUS ES would be required to make changes to the Metering Business System application so that Basic non-CL data could be sent. This will increase the volume of Basic meter data delivered daily. There will also be an increase in the volume of interval data to be delivered dependent on the VTN decision.
25.	What level of savings would there be from MDPs no longer needing to support and deliver an AEMO specific data file?	Nil. If this change is aligned to the 5MS change where a new file format is introduced to support 5MS, then there will be some synergy. PLUS ES would need to understand the intention of services AEMO would support with 100% data being provided to determine what savings there may be to gain as an MDP. PLUS ES has a large Valued Added Services market it services. With AEMO holding a Central Repository of all data , what provisions will be in place around VAS services directly from

Questions		Feedback
		AEMO which will impact the PLUS ES business. More information is required around whether MDPs would no longer provide data to Retailers but only to AEMO to be able to better consider any costs/savings.
26.	What level of savings could be expected by retailers from reduction in settlement statement reconciliation?	No comment
27.	Are there any other costs that market participants may incur if there is a move to global settlement? If so, what are they?	The PLUS ES cost impact is directly related to any Type 7 process changes and the delivery of LR=FRMP consumption data logic and volume changes imposed by this proposal.
28.	What contract issues need considering?	No comment
<b>Chapter 5 – Section 5.4.3 – Implementation – consideration of non-market generators</b>		
29.	How should non-market generators be accommodated under a global settlement framework?	No comment
<b>Other comments on the rule change request or consultation paper</b>		
30.	Do you have any other comments on the rule change request, high level design or the consultation paper?	No comment